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ABSTRACT

A meeting was held April 3, 1974, by the African-American Institute (AAI) to discuss the need for rural change and the strategies for achieving change in Africa. Participants in the meeting included two Africans who have leading roles in the economic development of their countries, representatives from 12 governmental and private agencies that are contributing to African rural development and several American specialists. The issues examined in the introduction include helping the poorest 16 of the poor nations, strategies for aiding the rural poor, factors affecting rural change, inputs to achieve rural change, and transferring successful aspects of an effective rural development to other areas. The first part of the conference proceedings focuses on exchanging information on nine current donor agencies' programs to further African rural development. Presentations by African participants regarding rural development priorities and major issues affecting African development are discussed in the second and third part of the document respectively. Appendices include a list of participants, the questionnaire circulated to donor agencies by the AAI, and the 1973 budgets of donor agencies. (Author/ND)

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the absolute poor

report of a donor agencies meeting on rural development in africa

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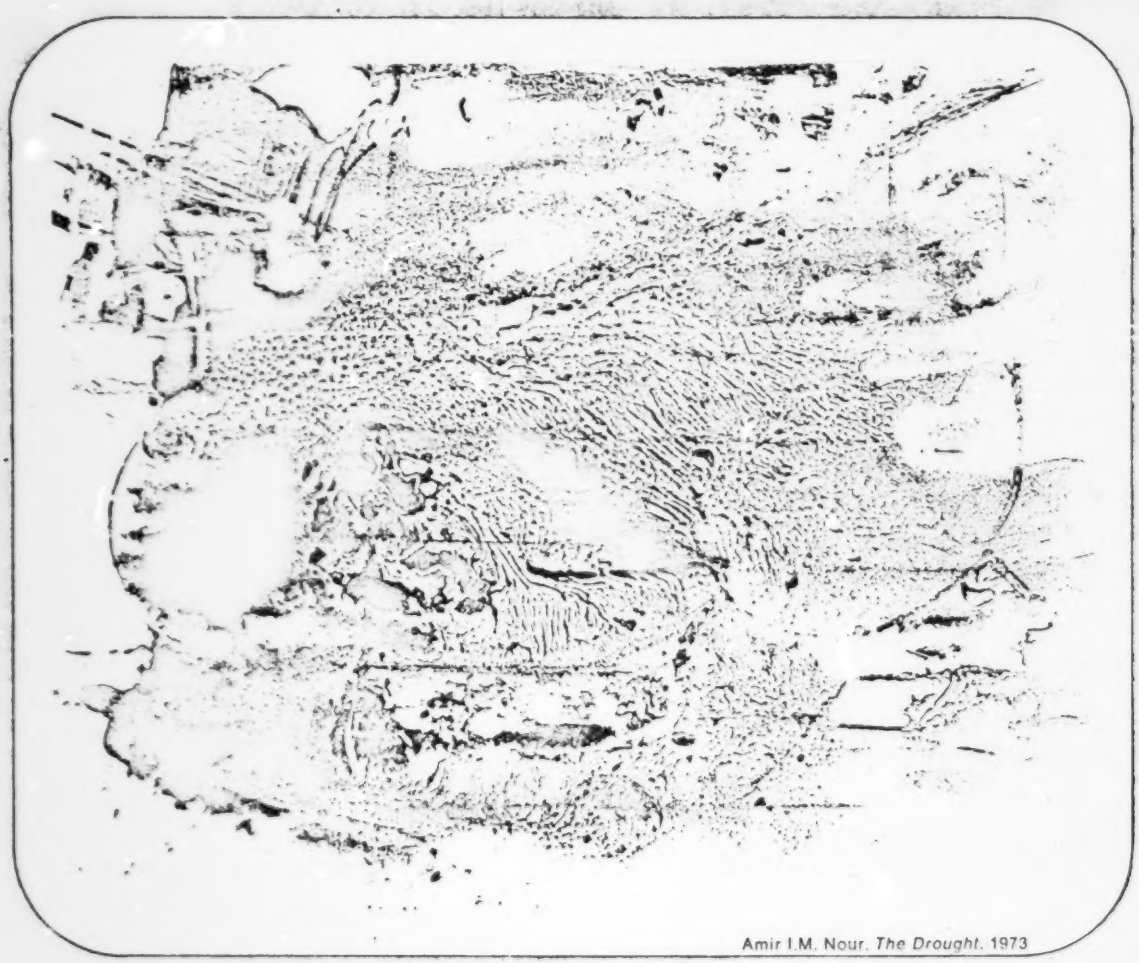

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THE ABSOLUTE POOR

Report of a Donor Agencies Meeting on Rural Development in Africa

African-American Institute
April 3, 1974

Jane W. Jacqz, Rapporteur

THE ABSOLUTE POOR

Table of Contents

	Page
INTRODUCTION A summary of issues discussed at the April 3, 1974 meeting of donor agencies.	1
Focusing on the 16 "poorest" nations	1
Focusing on "the bottom 40 percent"	1
Focusing on rural areas	2
Strategies for aiding the rural poor	3
Factors affecting rural change	8
Inputs to achieve rural change	9
Learning from the past	9
Conclusion	10
I. DONOR AGENCIES' PROGRAMS TO FURTHER AFRICAN RURAL DEVELOPMENT	11
Introduction by AAI President	11
Introduction by Albert Berry	12
Presentations by Agency Spokesmen	14
Agency for International Development (AID)	14
UNICEF	16
Private Agencies Collaborating Together (PACT)	17
United Nations Development Programme (UNDP)	18
The Edna McConnell Clark Foundation	21
The Ford Foundation	22
International Bank for Reconstruction and Development (IBRD)	23
African-American Institute	27
The Peace Corps	27
Programs of Donor Agencies Not Represented at the Meeting	29
Food and Agriculture Organization (FAO)	29
Rockefeller Brothers Fund	32
II. PRESENTATIONS BY AFRICAN PARTICIPANTS REGARDING RURAL DEVELOPMENT PRIORITIES	34
Presentation by Ambassador Bomani	34
Presentation by Dr. Olatunbosun	37

III. ISSUES IN RURAL DEVELOPMENT 39
A summary of discussion by participants of major issues affecting African rural development

Sequential approach to rural development 39
Integrated approach to rural development 39
Role of African governments in effecting rural change 43
Utilizing existing facilities 44
Special problems of African pasturelands 45
Transfers of successful technology 46

Appendix 1 Participants 48

Appendix 2 Questionnaire circulated to donor agencies by AAI 49

Appendix 3 1973 budgets of donor agencies 50

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INTRODUCTION

The need for rural change in Africa and strategies for achieving change were the principal topics discussed at a meeting convened on April 3, 1974 by the African-American Institute.

Participants included two Africans who have played leading roles in their countries' economic development, representatives from 12 governmental and private donor agencies concerned with African rural development and several American specialists. They met to exchange information on current donor agency policies and programs and to consider whether these programs are meeting Africans' felt needs. Major points discussed are summarized below.

Helping the Poorest of the Poor ...

* Focusing on the 16 "poorest" nations

There is an apparent upswing in donor agency attention to the "poorest" nations of Africa -- the 16 countries identified by UNCTAD as having a per capita income of less than $100, an industrialization rate of less than 10 percent of GNP and a literacy rate of less than 20 percent of the total population.(*) Major intergovernmental agencies, notably the World Bank Group, are committed to giving the "poorest" nations special attention; the Agency for International Development (AID) supports programs in 11 of the 16; and various other smaller governmental and private efforts are focusing on these least favored states.

* Focusing on "the bottom 40 percent"

The need for programs to aid the rural poor was stressed by World Bank President Robert S. McNamara in his 1973 address to the Bank's Board of Governors delivered, appropriately, in Nairobi, Kenya. Mr. McNamara appealed for an attack on "the absolute poverty which exists to a totally unacceptable degree in almost all of our developing member countries: a poverty so extreme that it degrades the lives of individuals below the minimal norms of human decency." The "absolute poor", Mr. McNamara observed, "are not merely a tiny minority of unfortunates -- a miscellaneous collection of the losers in life -- a regrettable but insignificant exception to the rule. On the contrary, they constitute roughly 40 percent of the nearly two billion individuals living in the developing nations."

(*) Of the 25 "poorest" nations in the world, 16 are located in Africa.

In Africa, participants observed, conditions facing "the bottom 40 percent" elsewhere confront the bottom 80 to 90 percent of Africans -- the overwhelming bulk of the African people, who still live in rural poverty.

At least half the donor agencies represented at the meeting indicated that under new policies they are aiming assistance efforts at the "absolute poor" -- the bottom slice of the populace of poor areas. (The U.S. Foreign Assistance Act of 1974 specifically provides that AID focus on "poor people", it was observed; new priorities in the AID program are food and nutrition, population planning and health, and education and human resources development. Programs funded by the United Nations Development Programme (UNDP) are targeted at "traditional producers and their families." And the International Bank for Reconstruction and Development (IBRD), under Mr. McNamara's leadership, is spending the major portion of its agricultural budget on "the lowest 40 percent of the population.")

But focusing on the absolute poor may impede over-all national economic growth, one participant warned. Many of "the bottom 40 percent" live in rural areas with very low potential for agricultural productivity. To reach them -- by resettlement, modification of the resource base, programs to improve crop yields or resource transfers -- will require heavy government investment and may mean reduced total economic growth.

Focusing on Rural Areas ...

* A rationale

"Some of the absolute poor are in urban slums", Mr. McNamara observed, "but the vast bulk of them are in rural areas. And it is there -- in the countryside -- that we must confront their poverty."

This is especially true in Africa. If governments and external aid agencies seek to reach the poorest segments of the populace, they must address themselves to the problems of the rural areas. As Tanzanian Ambassador Paul Bomani pointed out, 95 percent of Tanzania's populace is in the agricultural sector. In his view, it is "logical" for developing countries to improve the rural sector first.

A second reason for focusing on rural areas, in the view of some agencies, is that the social development gap between rural and urban areas may be widening at an increasing rate in Africa. Intolerable conditions in rural areas are driving people to the cities and giving rise to additional social and political problems.

Prior neglect by donor agencies was also cited by one participant, who observed that less than 10 percent of aid to Africa to date has benefited the rural areas.

* Current emphases

Virtually all donor agencies represented at the meeting reported new emphases on programs for African rural development. A spokesman for UNDP estimated conservatively that well over 50 percent of UNDP projects in Africa are aimed at development of the rural areas. The policies of the World Bank, committed to reaching the poorest people in developing countries, favor work in rural areas. AID has become increasingly interested in the rural sector, as have various American philanthropic organizations and private agencies.

African governments are increasingly concerned with rural development, it was observed, but they are not yet universally committed to this as the priority goal. Even committed governments may be pursuing contradictory development policies or meeting obstacles in their rural development programs.

Strategies for Aiding the Rural Poor ...

* "Trickle down" or direct

The first major question to be resolved by African governments and external aid agencies is whether to reach target groups by going to them directly. The "conventional wisdom" with respect to developing countries has been "no". But governments and donor agencies are increasingly adopting a very different view. In his speech to the World Bank Governors, Mr. McNamara asked:

"Is it a really sound strategy to devote a significant part of the world's resources to increasing the productivity of small-scale subsistence agriculture? Would it not be wiser to concentrate on the modern sector in the hope that its high rate of growth would filter down to the rural poor? The answer, I believe, is 'no'. Experience demonstrates that in the short run there is only a limited transfer of benefits from the modern to the traditional sector. Disparities in income will simply widen unless action is taken which will directly benefit the poorest."

Specialists at the meeting concurred that emphasis on industrial development can substantially benefit the agricultural sector only if the non-agricultural share of the labor force is high enough, i.e., 50 - 60 percent. Experience shows clearly, it was observed, that in countries like Tanzania it is too difficult to transfer benefits from the modern sector (3 percent) to the traditional sector (97 percent) and that such transfers have not occurred.

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Although it is unclear whether all senior personnel at all major donor agencies have abandoned the "trickle down" view, various spokesmen suggested that their agencies are modifying previously held positions. In AID, for example, the "trickle down" view is seen as "dead", even though it may be difficult "to move from rhetoric (favoring assistance to the rural poor) to actual projects at the farm level." The UNDP, through its new country programming processes, was said to have "buried it". Although the Peace Corps does not yet know how best to effect rural change, the "trickle down" theory is being questioned, it was reported. Ford Foundation personnel have also "shed" this theory. Other agency spokesmen presented similar views.

At the same time, it was noted, African participants in the African-American Dialogue held in Addis Ababa in December, 1973 -- while giving rural development high priority -- did not clearly express the view that assistance programs should focus directly on the rural sector. And a foundation representative, who questioned whether the productivity of small farms can, in fact, be increased, suggested that abandoning the industrial sector will not help close the gap between rich and poor nations or between the rich and poor within a developing country.

* Focusing first on increasing agricultural production vs. a broader approach

No issue was discussed more thoroughly than whether to focus programs, initially at least, on increasing agricultural productivity with other development efforts and social services to follow -- a "sequential approach" to rural development -- or whether to attempt a range of programs simultaneously.

Spokesmen for several major donor agencies strongly affirmed the need to focus first on increasing agricultural productivity. Mr. McNamara was quoted as saying "there is no viable alternative to increasing the productivity of small-scale agriculture." And a participant stressed that the World Bank will emphasize increasing productive capacity in the years ahead. (World Bank allocations for African agricultural program, of which a major part is spent on small farmers, have risen from 16 percent in 1972 to 34 percent in 1974.) Similarly, an FAO paper circulated to participants stressed the "concept of phasing", indicating that the "inescapable starting point", owing to the poverty of African states, must be to expand the economic base by increasing agricultural production, whether for domestic, intra-African or overseas markets. (one-third of UNDP's Africa budget is spent on agriculture.) A spokesman for AID, which now allocates a major portion of its Africa budget for food and nutrition, considered it "essential" for donor agencies to focus first on

increasing agricultural production -- to find targets that will be responsive and to start with "the critical minimum" judged necessary by African governments. In this participant's view, the sequential approach to rural development does not preclude high pay-off projects, e.g., industrial plants in rural areas; it says, however, that they must come later.

But some participants called for other programs for rural development in tandem with programs to increase agricultural productivity. Several stressed the need to develop non-agricultural industry in the rural sector as a means of creating jobs, "adding value" to commodity exports and improving Africa's balance-of-payments. Even more important in the eyes of some are programs to provide social services for rural populaces. A participant observed that "The Arusha Declaration" represents a basically sound approach to Africa's problems since its objective is to increase the people's standard of living, not simply to raise production. It is a mistake to measure rural development solely by increases in agricultural income, another participant warned, observing that rural development really consists of expanded educational opportunities, health services, recreational facilities and improvements in the quality of life which even increased personal income could not necessarily buy.

Recalling that Tanzania had focused initially on developing and improving farming by providing services and training on an individual family basis, Ambassador Paul Bomani observed that this approach has been abandoned, partly owing to the difficulty of reaching farmers, partly because programs were not resulting in rural change and partly because of new government policies which favor the self-improvement of individuals through collective endeavor and education. Through its Ujamaa village program and other means the Tanzanian government is now seeking to bring education, health services and water supplies to farm families.

Although one speaker observed, first, that education is not essential for improving farm income and, second, that Tanzania (and other African states) cannot support extensive social services without impeding national growth, several participants suggested that literacy programs and farmers' identification with government policies may lead subsequently to expanded agricultural output. Meanwhile they are helping to improve the condition of life among the absolute poor.

No participant maintained that any one approach to rural development is the correct strategy for all of Africa. Different approaches are needed in different countries with different time-frames.

* Traditional vs. modern agriculture

Another strategic decision facing governments and donor agencies is whether aid to the agricultural sector should be aimed at the traditional farmer or at development of modern agriculture. Traditional farming in Africa is generally on a small-scale, and various participants argued that ways must be found, initially at least, of reaching the small farmer. Although some allege that small-scale farming cannot be efficient, analysts may be using wrong indicators of efficiency for Africa. Some large-scale modern agriculture is less productive in terms of resource use than small-scale agriculture; in Africa, measurements of output in relation to land under cultivation or capital investment are more valid indicators of efficiency than the measurement of output per worker. Other participants concurred that small-scale traditional farming in Africa can yield proportionately high outputs. (But efforts to develop large-scale -- but labor-, not capital-intensive -- farming are going forward in some countries, it was noted, especially Tanzania. When the Ujamaa villages are well organized, it will be possible to cultivate substantial acreage.)

* Concentrating on productive areas or a nationwide approach

Decisions must also be made about whether to concentrate external aid on selected rural areas with high potential for increased agricultural productivity or to adopt a nationwide approach. Advocates of strategies to increase the resource base favored concentrating agricultural assistance efforts in areas with potential for economic pay-off, but other participants noted that some rural development projects, e.g., the CADU project in Ethiopia, have had the effect of widening the gap between people in selected areas and the general rural population -- a development which may be politically and socially undesirable.

* Packaging assistance programs

An increasing number of donor agencies have recently adopted policies favoring integrated sectoral assistance. "Package" programs aimed at furthering agricultural productivity may include, in the case of UNDP, crop varietal trials, seed research, training of local personnel, institutional services to farmers and marketing assistance. Many IBRD projects in agriculture also involve "package" programs; under an IBRD project in Ethiopia farmers receive a "minimum package" of fertilizers, improved seed, credit, extension services and essential roads.

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Considerable attention was paid to the CADU project in Ethiopia as typifying the "package" approach to rural development. When CADU was conceived in 1967, there were no credit facilities, no agricultural extension services and only a traditional marketing system in the area. An integrated regional approach was seen as the only means of achieving forward movement, and the initial CADU package involved research, extension services, provision of credit, road and water development, training and marketing assistance. More recently a "minimum package" program has been developed involving concentration on certain crops, certain kinds of extension help and certain kinds of inputs, e.g., credit. (The road-building, water supply and marketing aspects have been discontinued.)

Although the CADU project was criticized by some participants on the grounds that it required very large capital investment, is heavily dependent on expatriate personnel, cannot be duplicated throughout Ethiopia and has widened the gap between that area and other parts of Ethiopia, others maintained that it has been successful in reaching large numbers of farmers, directly or indirectly, in demonstrating that farm productivity can be increased, in allowing experimentation with different techniques and in permitting evaluation of the relative merits of different inputs. (Determination of what constitutes the "bare minimum" needed to achieve forward movement was seen as a critically important factor in future planning.)

* Cost of external aid

Participants differed regarding the cost-per-farm-family of external aid programs. It was noted by one speaker that a single farm family's "share" of total IBRD investments in some rural development projects amounts to $1,000. But this is a far higher cost-per-farm-family figure than has been spent, for example, by the government of Tanzania or even on particular IBRD projects, including early rural development programs in Ethiopia which utilized existing roads.

* Special problems of the pasturelands

There is a "no man's land" in Africa between the rural areas and the cities which presents special problems -- the pastureland, inhabited by nomads. There are millions of these people, who cannot farm, in the drought-ridden countries of the Sahel, Ethiopia and Somalia. Of all Africans, they suffer most from social deprivation, lacking educational facilities, health services or access to other government programs. Although it is very difficult to reach Africa's nomads, efforts must be made in light of their dire needs. Major drought-relief

activities funded by AID and other agencies must be succeeded by longer-term solutions, possibly including multi-national solutions. (International, national and feeder roads are needed to allow access to nomadic groups. The sale of livestock bred by nomadic groups to countries south of the Sahel was seen as another possible solution.)

Factors Affecting Rural Change ...

* Motivation

Highest importance was attached by all participants to the factor of motivation in achieving rural change. UNDP and AID spokesmen, who attached great value to the will of African governments, saw cause for optimism in the emphasis currently placed on rural development by many African states. Many governments "are moving in the right direction" by providing social and economic incentives to work for development. Incentives motivating farmers to increase production and communities to help themselves were seen as a potentially powerful instrument for progress.

* Role of national governments

The basic responsibility for rural development must lie with the governments of African states, it was affirmed, and the adoption of government policy favoring rural development was described by at least one agency as "the most strategic decision of all." Rural change will not occur unless the national governments commit themselves to helping rural areas, determine what is needed, adopt strategies for achieving change and plan, budget for and carry out rural assistance programs.

* Reliance on local resources

The involvement of local people in planning and carrying out rural development programs was cited repeatedly as "fundamental to the whole concept of rural development." In Tanzania, for example, the Ujamaa village program has been characterized by efforts to help farmers see the need for change and enable them to participate in planning change. (But the participation of locals in planning Tanzanian development may have contributed to the adoption of unrealistic goals, it was suggested by one speaker.) Also in Tanzania, where central government agents could not possibly reach all farm families, reliance on existing institutions -- such as cooperative unions -- is essential. In eastern Zaire, where few organizations and institutions exist, an AID-supported program uses village chiefs to disseminate both credit and technology. In Nigeria, locally-administered credit programs experience higher rates of repay-

ment, owing to social pressures, than federal programs. The spread throughout Africa of self-generating community assistance programs, e.g., well building, was cited by another participant as a hopeful sign.

* Role of donor agencies

Africans welcome infusions of capital and technology from external aid agencies, it was affirmed. But numerous speakers warned against attempting to impose solutions from outside, citing past experiences in which donor agencies sponsored programs "in the wrong place" or "for the wrong reasons", without adequate local consultation or participation. Poor preconditions or ill-conceived approaches, e.g., inappropriate technology, have led to failure. Many donor agencies, it was observed, are now committed, as a matter of policy, to responding to Africans' perceptions of their own needs. (But in the view of a Peace Corps spokesman, this may prevent external aid agencies from offering incentives for rural change if the African government itself does not give high priority to rural development.)

Inputs To Achieve Rural Change ...

Participants identified a variety of inputs that can contribute to rural change, including agricultural research; studies on how to involve people; dissemination of research products, e.g., new types of seed; increased use of fertilizer; technology diffusion through extension services, innovative educational institutions like Tutume Community College in Botswana and other means; education and training programs; credit and subsidy programs; and infrastructure, rural works and water supply projects. African government and donor agency programs in all these areas were identified and described. (Special importance was attached by a number of participants to credit as a means of enabling the small farmer to increase his agricultural productivity. More detailed comments on the relative value of these inputs appear in the report which follows.)

Learning from the Past ...

A major question for African governments and donor agencies is how to transfer the successful aspects of an effective rural development program to other areas. Success has occurred, it was affirmed, in a significant number of programs. It is important to study these effective programs to see what factors contributed to their success. Similarly, projects which have not succeeded should be evaluated to determine underlying concepts, pre-existing conditions and methods of project implementation. Hopefully, identifiable reasons for failure can be eliminated when attempting to build on past experiences.

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Sometimes it is difficult to see why a project has succeeded, it was observed. Also, relatively little is known about why some projects become self-sustaining or about techniques for transfering success from one area to another.

The need for continuing study and exchanges of information among governments and donor agencies was stressed as a means of building on the past to assure progress in the future.

Conclusion ...

I would like to express the Institute's appreciation to Tanzania's Ambassador Bomani and Dr. Dupe Olatunbosun of Nigeria for their contribution to our deliberations; to the governmental and private organizations which provided materials for, and sent representatives to, the April 3 meeting; and to Dr. Albert Berry, who was responsible for organizing the conference.

We hope you will find some useful information in the report which follows -- as well as new insights into issues facing all of us who seek to improve the lot of Africa's "absolute poor."

William R. Cotter
President
African-American Institute

I. DONOR AGENCIES' PROGRAMS TO FURTHER AFRICAN RURAL DEVELOPMENT

Nineteen persons, including representatives from 12 governmental and private organizations concerned with external aid to African rural development, met at the African-American Institute on April 3, 1974. They reviewed their donor agencies' programs to further African rural development and debated rural development priorities and strategies. (Participants in the meeting are listed in Appendix 1 to this report.)

INTRODUCTION BY AAI PRESIDENT

AAI President William R. Cotter opened the meeting by citing passages from Robert S. McNamara's September 24, 1973 address to the Board of Governors of the World Bank Group:

> "The need to re-orient development policies in order to provide a more equitable distribution of the benefits of economic growth is beginning to be widely discussed. But very few countries have actually made serious moves in this direction...
>
> "But despite the magnitude of the problem in the countryside, focusing on rural poverty raises a very fundamental question: is it a really sound strategy to devote a significant part of the world's resources to increasing the productivity of small-scale subsistence agriculture? Would it not be wiser to concentrate on the modern sector in the hope that its high rate of growth would filter down to the rural poor?
>
> "The answer, I believe, is no.
>
> "Experience demonstrates that in the short run there is only a limited transfer of benefits from the modern to the traditional sector. Disparities in income will simply widen unless action is taken which will directly benefit the poorest. In my view, therefore, there is no viable alternative to increasing the productivity of small-scale agriculture if any significant advance is to be made in solving the problems of absolute poverty in the rural areas....
>
> "A minimum objective should be that the distortion in income distribution within these nations should at least

stop increasing by 1975, and begin to narrow within the last half of the decade.

"A major part of the program to accomplish this objective must be designed to attack the absolute poverty which exists to a totally unacceptable degree in almost all of our developing member countries: a poverty so extreme that it degrades the lives of individuals below the minimal norms of human decency. The absolute poor are not merely a tiny minority of unfortunates -- a miscellaneous collection of the losers in life -- a regrettable but insignificant exception to the rule. On the contrary, they constitute roughly 40% of the nearly two billion individuals living in the developing nations.

"Some of the absolute poor are in urban slums, but the vast bulk of them are in the rural areas. And it is there -- in the countryside -- that we must confront their poverty."

One purpose of the meeting, Mr. Cotter indicated, was to see if the emphasis placed by Mr. McNamara on aiding the rural poor jibes with Africans' concerns. Recalling discussion of African development priorities at the December, 1973 African-American Dialogue held in Addis Ababa, Mr. Cotter noted that African delegates appeared to share Mr. McNamara's feeling that rural development must be given high priority, but they did not clearly express the view that assistance programs should focus directly on the rural sector. Some felt that aid should instead focus on industrial development and the development of infrastructure which can in time lead to upgrading of the poor.

A second purpose of the meeting, Mr. Cotter suggested, was to see whether external aid agencies are addressing themselves to minor elements of the problem or, in fact, focusing on key aspects.

INTRODUCTION BY ALBERT BERRY

Albert Berry, Associate Professor of Economics at the University of Western Ontario and an adviser to AAI on its activities relating to rural development, reviewed summary data on the 1973 budgets of donor agencies concerned with African rural development. (*) These data suggest that at least some

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(*) These data were provided in response to a questionnaire from AAI, reproduced as Appendix 2. Dr. Berry's summary of budget data appears as Appendix 3.

agencies are directing assistance efforts toward "the bottom 40 percent" -- in Mr. McNamara's phrase, "the absolute poor" -- most of whom live in rural areas. Dr. Berry commented also on the heavy emphasis placed by many donor agencies on agricultural research and, to a somewhat lesser extent, agricultural extension work.

Major Issues

Dr. Berry suggested that there are two major questions to be resolved in determining allocations of expenditures for African rural development:

(1) Is the welfare of target groups most likely to be raised by aiming programs directly at them?

The "conventional wisdom" with respect to developing countries is "no". But in Latin America, where countries have already gone through phases that may have implications for Africa, the "new conventional wisdom" is that aid programs should focus directly on agriculture since industrial development has generally failed to benefit the poor. This thesis, however, is still being debated and there is at present no clear consensus about how best to implement a "direct approach". In some countries, such as Colombia, it now seems rather clear that "the bottom 40 percent" are being aided by industrial development; as people have been drawn into the cities from the agricultural sector, the income of those remaining in agriculture has risen. African governments should ask themselves whether they will succeed in benefiting "the bottom 40 percent" by tackling the relatively easy problems of industrialization (easy in the sense that most countries can develop protected industry if they want -- not in the sense of developing efficient industry). In Dr. Berry's view, placing the major emphasis on industrial development can pull the agricultural sector along with it if the industrial sector already "weighs enough", i.e., if the share of the labor force in non-agriculture is up to 50 or 60 percent, with a significant portion in fairly modern industry. But if the non-agricultural sector is only 20 - 25 percent of the labor force, industrial development is not likely to benefit the 75 - 80 percent in the agricultural sector. This suggests that donors must determine the general conditions of a nation's economy before deciding whether to focus assistance programs directly on the agricultural sector.

(2) If it is decided to aid the agricultural sector directly, should assistance be focused on modern agriculture or on traditional methods?

In Dr. Berry's view, some analysts are using wrong indicators of efficiency. More careful appraisal shows that much large-

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scale modern agriculture is, in fact, less productive in terms of resource use than small-scale agriculture. In Africa, "high output per worker" may be a less valid indicator of efficiency than "output per unit of land" or "output per unit of capital -- especially the latter." It is important for donor agencies to know whether there is in Africa a relatively efficient small-scale base for agricultural development. (Unfortunately, few statistics are available.)

If donors decide that they should focus directly on the agricultural sector and that they will work directly with small-scale farmers, then they must decide what types of activities will be most beneficial. In Dr. Berry's view, there are several possible hypotheses: (1) The whole game is research. Some people hold that if the research has been good, i.e., relevant to local needs, then there is no need to worry about capital formation or the efficiency of extension workers. If research holds the answer, then it should be emphasized. (2) Technology must be diffused. An alternate hypothesis is that emphasis should be placed on the dissemination of available technology (and capital formation) without waiting to develop new technologies based on research findings. But this may be a false dichotomy, Dr. Berry observed.)

Dr. Berry concluded his remarks by warning that highly capital-intensive projects must be avoided in Africa. He observed, too, that some people have long advocated programs which result in more equitable income distribution whereas others have come to this view only recently. The question of whether focusing on income distribution impedes national economic growth is an important issue, Dr. Berry added; at present there is little evidence of conflict between these two goals.

PRESENTATION BY AGENCY SPOKESMEN

In the discussion which followed these introductory presentations, spokesmen for various organizations described their agencies' concerns and programs relating to African rural development. They commented also on development priorities and strategies as seen by their agencies. These presentations are summarized below.

Agency for International Development (AID)

Antonio Gayoso, Chief, Sector and Problem Analysis, Office of Development Services, Bureau for Africa, AID, distributed statistical data on the total AID program for development assistance worldwide and on AID's program to further African development. In FY 1973 total AID commitments for development assistance worldwide were about $973 million; for FY 1974 the total is about $890 million. Africa's share of worldwide development assistance was about $150 million in FY 1973, of which 50 percent was in the form of grants and 50 percent in

loans. A significant portion of AID's budget for Africa was spent to help develop infrastructure, but $39 million went for good and nutrition, $19 million for population planning and health, and about $17 million for education and human resources development. In short, some AID programs were directed at the rural poor. The amount projected for food and nutrition in FY 1975 is significantly higher owing to the needs of the Sahel. (Indeed, aid to the Sahel represents the "big bulge" in over-all assistance for Africa in 1974 and 1975.)

Referring to the Foreign Assistance Act of 1974, Mr. Gayoso reported a new criterion, namely that AID must focus on poor people. New priorities in the AID program are food, production and nutrition, health and population planning and education and human resources development. AID's official strategy is to emphasize these three priority areas. In the past, Mr. Gayoso observed, AID focused much more on infrastructure development in Africa. But too often projects did not fit national priorities. Although AID emphasized infrastructure development, it also supported experimental projects in rural areas, especially in Ethiopia and North Africa. It has also funded some rural health programs, including delivery of health services in rural areas and disease eradication projects.

It will be difficult, in Mr. Gayoso's view, to move from rhetoric (favoring assistance to the rural poor) to actual projects at the farm level. Nevertheless the "trickle down" view -- that infrastructure projects and industrial development will ultimately benefit the rural poor -- is no longer accepted in AID.

Four years ago AID began experimenting with a sector approach to development, projects have been developed by AID missions, in cooperation with foreign governments, in an integrated context. For several years it has been AID policy to justify every program at least in terms of analysis of sectors in the context of the national economy. As AID has become more interested in the rural sector, it has become increasingly aware of the need for capital formation and local lending.

Mr. Gayoso stressed that AID personnel are supposed to develop sector analyses in support of project proposals and to identify target groups; planning must take motivation into account and not just economic input/output factors. Mr. Gayoso expressed considerable optimism about Africans' motivation. Unlike some Latin American governments, African governments -- with several exceptions -- seem to be moving in the right direction; they are providing social and economic incentives to motivate people to work towards development. The time frame for development in Africa may be longer than in other areas but there are natural forms of organization on which one can build. For example, the people of the Sahel may be very poor but they are also very efficient; they will respond if they have access to a "motivation system".

Mr. Gayoso concluded by observing that AID funds may be allocated along functional -- not regional -- lines in the future; Africa's share of the AID budget could rise if good projects are proposed, but it is realistic to think that Latin America and Vietnam will continue to receive major attention.

U.N. Children's Fund (UNICEF)

The U.N. Children's Fund program in Africa was described in materials submitted to AAI before the meeting (*) and in a presentation by Iskender Muhtesip, Program Officer, Africa Section.

Although UNICEF does not have annual budgets, its Executive Board approves commitments for assistance to different countries on a short-term (one year) or longer term basis which can be compiled into "probable yearly call-forwards", i.e., probable annual totals of procurement initiations or other assistance actions. UNICEF is totally funded by voluntary contributions, Mr. Muhtesip observed, but its worldwide program this year will exceed $100 million. Africa's annual share of "call-forwards" was $12 million in 1971, $10 million in 1972 and 1973 and $12 million in 1974. Totals projected for 1975 and 1976 are $15 million and $18 million respectively. Current UNICEF aid to Africa is about 11 percent of the worldwide program. The percentage is relatively low, given Africa's urgent needs, because UNICEF aid is catalytic, i.e., UNICEF requires recipient governments to spend substantial amounts in order to obtain UNICEF aid. The poorer a government is, the less able it is to attract and use UNICEF aid. UNICEF does not have sufficient capital itself to build centers or equip schools but its promise of conditional supplemental help sometimes enables an African ministry, e.g., a ministry of social welfare, to obtain a larger share of the government budget.

As for the types of assistance provided by UNICEF, no funds are budgeted directly for rural development or agricultural improvement but a very high proportion -- perhaps 80 percent --

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(*) Descriptions of agencies' programs prepared as background for the meeting are available at AAI.

of UNICEF-assisted social development programs operated by African governments contribute to community development in rural areas. Similarly, UNICEF does not mount programs aimed at effecting agricultural change per se but it may assist certain social aspects of rural development programs with a bias toward agricultural change. UNICEF is committed to increasing its over-all level of assistance and to finding new ways of reaching the populace through better planned programs. The "poorest" nations receive special consideration in ascertaining the appropriate level or type of assistance UNICEF may render, including planning help (in the form of consultants). A high percentage of UNICEF's aid to Africa, Mr. Muhtesip observed, is technical assistance owing to Africa's shortage of trained manpower. UNICEF consultants help African governments develop modest social programs -- but social programs tend to dry up in times of crisis, Mr. Muhtesip noted. An example of the kind of activity carried out by UNICEF is a project to train young people in agricultural techniques under a program funded by the UNDP. UNICEF is "everywhere in little ways", Mr. Muhtesip added, i.e., it plays a modest part in many larger programs funded by others.

Mr. Muhtesip concluded his presentation by observing that African governments are now emphasizing community development and self-help and that they have lowered some unrealistically high standards in their social programs, e.g., the requirement that injections must be administered by a doctor. In his view, where standards are realistic and motivation exists, as in Tanzania, UNICEF and other donor agencies can help effectively.

Private Agencies Collaborating Together (PACT)

Detailed information on the African interests of Private Agencies Collaborating Together (PACT) was submitted in advance of the meeting, and a summary of PACT's concerns was presented verbally by PACT Executive Director Robert F. O'Brien.

PACT, a consortium of independent private organizations which are working together to make their impacts more effective through collaboration, is involved in programs on a worldwide basis. PACT has operated most successfully in Latin America and is now probing additional possibilities in Africa -- a continent which presents very different problems and opportunities for private organizations, in Mr. O'Brien's view.

PACT's total annual budget for operations abroad has risen from $200,000 in 1973 to $1 million in 1974. (This includes private sector, indigenous and "matching" AID support.) A budget of $2 million is projected for 1975. PACT currently supports only one program in Africa (in Kenya) but is exploring five possible additional programs. Its "commitment to Africa is equal to its commitment to the rest of the developing world."

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As PACT extends its operations in Africa, its program will have the following characteristics according to Mr. O'Brien: (1) utilize indigenous agencies, (2) emphasize the rural sector, (3) focus on the small farmer and (4) seek to assure its clientele access to capital by private agency guaranties of loans. Because of PACT's limited experience in Africa to date, it "has no answers" at the present time, Mr. O'Brien added in conclusion.

United Nations Development Programme (UNDP)

The United Nations Development Programme (UNDP) replied to AAI's questionnaire and submitted a table of project expenditures in Africa. It was represented at the meeting by Gordon Havord, Senior Technical Adviser, and Arthur N. Holcombe, Programme Analysis Officer, Regional Bureau for Africa.

The UNDP is one of five assistance programs in the United Nations system, Dr. Holcombe observed. In 1973 the amount budgeted by UNDP for field operations was about $382 million. UNICEF, as indicated above, spent about $100 million in 1973. The World Food Program budget (for foodstuffs to support development projects) was $161.3 million. The UN Fund for Population Activities had budgeted about $50 million in 1973 for family planning activities. And the UN Capital Development Fund had $11 million available for small grants in the Least Developed Countries (LDC's), mainly to aid the most deprived portions of the population.

A little less than one-third of the total UNDP budget in 1973 -- $115 million -- was earmarked for Africa; actual expenditures for projects in Africa during 1973 amounted to about $80 million. (But UNDP defines Africa differently from others, Dr. Havord noted; if figures were included for North Africa or the Arab states, Africa's portion of worldwide expenditures would be greater than one-third.) There are also some smaller UN programs which aid Africa. For example, $20 million has been earmarked for Africa in the period 1973-1976 under a separate fund to finance special measures for the least developed countries; $5 million will be spent under a special Sahel drought fund in the next few years; an assistance program is being planned for northern Ethiopia which may be approved by the governing Council in June, 1974; and the UN is providing separate financing for assistance in support of the liberation movements -- Africans struggling against colonialism.

The UNDP, which works through UN specialized agencies like the Food and Agriculture Organization (FAO) and the International Labor Organization (ILO), earmarks about 30 percent of its African funds for projects in the agricultural sector.

Substantial additional assistance to the industrial, education and health sectors is also concentrated in rural areas. A conservative estimate would be that "well over 50 percent of UNDP project activities in Africa are concerned with the development of rural areas."

In its reply to AAI's questionnaire and in Dr. Holcombe's presentation it was emphasized that UNDP, which operates on the basis of country programs, "responds to governmental wishes in determining the types of activities it will finance in countries." UNDP does not make judgments about the priority or types of aid requested; rather, it seeks to determine the most suitable form that aid requested by recipient governments should take. "It is evident", the UNDP statement indicates, "that African governments have been showing steadily increasing concern for the broad-based development of rural areas in order to help increase food production and, at the same time, to reduce urban migration and rural and urban unemployment and poverty." UNDP anticipates that this concern will continue and that it will receive increased requests for assistance to rural development programs.

No figures are available on the extent to which UNDP-supported programs have focused on "the bottom 40 percent" but the bulk of UNDP-financed activities in rural areas were described as "designed to strengthen rural institutions and services of direct or indirect benefit to traditional producers and their families."

In commenting on the "trickle down theory", Dr. Holcombe emphasized that the UNDP, through its new country programming processes, has "buried it". In the late '50's and early '60's, UNDP in its rural assistance programs helped technical institutions, research and extension services. But it came to realize that these programs were not reaching large numbers of people and that benefits were not filtering down. In 1966 and 1967 UNDP began to think about reorienting its assistance in ways which would aid large numbers of people in rural areas. UNDP's new approach was the "integrated rural development approach". In the late '60's UNDP carried out 10 inter-disciplinary pilot projects directly concerned with area development on an inter-sector basis (agriculture, health, small industry, land and water resources). It also undertook integrated regional planning work in 10 to 15 instances. By 1971 or 1972 UNDP had found that inter-disciplinary, inter-sector projects were unwieldy and difficult to coordinate on the international side. On the governmental side, there were problems in coordinating the necessary support from the different ministries involved. In the absence of strong local and regional coordinating agencies, this approach was hard to carry out.

As a result, UNDP is currently emphasizing integrated sectoral assistance. In the agriculture sector, aid can include crop varietal trials, seed research, training of local personnel, strengthening of institutional services to farmers, marketing assistance, etc. In the industrial sector, there has been an evolution away from macro-planning and feasibility studies toward small-scale development. This has presented some problems for the UN system but it is widely requested by African governments, and UNDP, together with the United Nations Industrial Development Organization (UNIDO), is trying to develop further capability in this area. In education UNDP-financed assistance is moving away from aid to post-secondary institutions and literacy programs toward aid to primary schools in rural areas and teacher training programs for elementary education. In health UNDP-financed assistance used to focus on urban health requirements and training high-level medical personnel. It is now emphasizing rural needs, including sanitation, nutrition, water supply, disease eradication and training para-medical teams.

In short, Dr. Holcombe emphasized, there has been a major shift in the UNDP program toward activities which are directly relevant for people in rural areas.

Dr. Havord added to this initial presentation that several governmental and private agencies are sponsoring coordinated international research on agricultural development, including a wheat research institute in Mexico and a rice research institute in the Philippines. They are also supporting three research centers in Africa, including a crop research institute in Nigeria and two new centers to be concerned with diseases and health. A total of $32 million is being spent annually on these global research centers, including some portion in Africa. Expenditures should reach $85 million annually by 1980 -- a substantial effort.

In commenting on these research activities, Dr. Havord stressed that they are not another attempt to embrace the "trickle down theory". On the contrary, when the colonial powers in Africa undertook agricultural research, they emphasized export crops. As African states gained their independence, colonial research programs were terminated, and a severe "research gap" resulted. New research efforts are aimed at food crops to be consumed in the developing countries. A possible role for UNDP, Dr. Havord suggested, will be to stimulate the application of research findings and use of new seeds developed at research centers, especially since the centers cannot go into rural areas and work directly with farmers. Dr. Havord urged the international system -- multilateral and bilateral organizations -- to help African governments utilize improvements by mounting local testing and research activities, trials, dissemination of find-

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ings and seeds to farmers, training of low-level personnel, development of capital resources, provision of fertilizer, etc.

In concluding, Dr. Havord attributed highest importance to the will of African governments. The fact that African leaders are showing greater interest in the rural sector/rural poor is some cause for optimism. UNDP sees this factor as being vital to all development efforts. Observing that all governments give rural development high priority, Dr. Havord noted that some fail to translate this priority into fact when budgeting for training institutions, provision of agricultural extension services and salaries or rural workers. Some African countries are making progress but others are not. The degree of African commitment is a factor of the very greatest importance.

The Edna McConnell Clark Foundation

The Edna McConnell Clark Foundation replied to AAI's questionnaire and was represented at the meeting by its Vice President for International Programs Donald B. Hoffman, Jr.

In his opening comments Dr. Hoffman observed that the Foundation is moderate in size, with grants totaling $20 million last year. It is relatively new, and staff have just obtained Board approval for an international program. Although Clark is still mainly concerned with domestic programs, it has made some grants for work abroad, including grants for some projects in Africa. The total spent abroad is about $1 million; commitments in Africa are about $500,000, including $80,000 for a management training project in Tanzania and $250,000 multi-year support of a World Health Organization (WHO) project in West Africa. Other projects include one in Ghana ($25,000) and one in Zaire ($100,000).

Dr. Hoffman reported that the Foundation has studied both the "old conventional wisdom" and the "new conventional wisdom" about whether to focus assistance programs directly on the rural sector. It is presently seeking a unique combination of factors -- needs and opportunities which are appropriate for a foundation of Clark's size -- as a basis for planning further programs. Dr. Hoffman anticipated that the Foundation's international program expenditures will increase to $2 or $3 million, especially in developing areas. But he has many questions about what constitutes effective development. While we may be burying the "trickle down" approach, it is important to examine the underlying factors that led to its demise. It is not clear that abandoning the industrial sector, for example, will help close the gap between rich and poor countries or between the rich and poor within a country. It is also not clear that the productivity of small farms can be increased -- at least by enough to make a difference. The Foundation will probably focus its

activities in two areas, Dr. Hoffman affirmed: (1) research on tropical diseases -- a major effort for the foreseeable future -- and (2) such possible areas as credit, management training, the food problem, disaster management and crafts development. On this second point, Dr. Hoffman noted that experience in the Caribbean area and Latin America suggests that programs to provide credit can be an effective aid to development but in his view current institutions are not adequate to provide the sizeable levels of credit needed. Training is also needed in Africa to produce managers, including managers of government corporations and programs, and such technicians as electricians and plumbers. Donor agencies see the need for more effective management to avoid disasters and minimize their impact when they occur. Finally, crafts development may be a way of enabling people to support themselves and earn income. Dr. Hoffman added that the Foundation has considered becoming involved in integrated rural development programs but is not yet convinced that these should have priority or that the Foundation's resources are sufficient to fund this type of effort.

The Ford Foundation

The Ford Foundation's work relating to African rural development was summarized in a response to the AAI questionnaire and in a presentation by Werner Kiene, Assistant Program Officer in Agriculture.

It was indicated that the Foundation's international budget in 1972 was $76.3 million, in 1973 $77 million and in 1974 $78 million. For work in Africa, including appropriations for the International Institute of Tropical Agriculture (IITA) in Nigeria, $11.9 million was budgeted in 1972 and $10.3 million in 1973. Of the amounts budgeted for work in Africa, $4.1 million was budgeted for agriculture in 1972 and $3.4 million in 1973, including IITA. Rural development, as defined in the AAI questionnaire, receives approximately 30 percent of Ford's total Africa budget. Although the Foundation "hopes to contribute to the two objectives of increasing the food supply and improving the lot of low-income farmers and landless laborers" it has not specifically targeted "the bottom 40 percent of the population for assistance.

In his remarks, Dr. Kiene indicated that the Foundation has traditionally concentrated on the social sciences and their role in helping to resolve development problems. But recognizing severe gaps in agricultural technology, the Foundation has become involved in the funding of agricultural production research -- a venture which is commonly referred to as The Green Revolution. Ford now contributes to such programs as the

agricultural research centers in Mexico, the Philippines and Columbia mentioned above. It is also supporting the Arid Lands Agricultural Development Center in Beirut. Although the Foundation no longer helps to fund the Hyderabad research center (millets, sorghum) it would be interested in seeing how the work of this center might benefit the Sahel.

Although Ford personnel have shed the "trickle down theory" of development, the Foundation's education and training programs to date have focused on high-level human resources with the thought that investments in human capital will pay off in the long run.

Dr. Kiene expressed belief in the continuing need to create new knowledge. Old concepts of extension work need modification. New technologies are needed, and recipient countries should be helped to develop these.

In the statement submitted for the meeting, it was indicated that the Foundation's future programs will continue some present initiatives in rural development, including development, adoption and diffusion of appropriate production technology; assistance in development of improved capacity for policy analysis and planning, policy making and implementation, and management, including African M.Sc. level training in agricultural economics.

International Bank for Reconstruction and Development (IBRD)

A detailed summary of World Bank Group operations in Africa was provided for the meeting. The IBRD was also represented by Bengt Nekby, Agricultural Economist. (Dr. Nekby has special responsibilities for Bank programs in East Africa.)

In the background summary, it was indicated that IBRD and IDA operations abroad in FY 1972 totaled about $2.966 billion, in FY 1973 $3.408 billion and in FY 1974 $4.648 billion. IBRD's allocations for African development were $192.3 million in 1972, $234.4 million in 1973 and $606.7 million in 1974. (IDA's allocations for Africa in these three years were $245.3 million, $284.1 million and $390 million.) The share of the IBRD and IDA budgets allocated for rural development or agricultural improvement in Africa was $69.6 in 1972, $172.4 in 1973 and $332.3 in 1974. The percentage of the budget allocated for agricultural and rural change has risen from 16 percent in 1972 to 33 percent in 1973 to 34 percent in 1974. Future lending programs will have greater emphasis on rural development, it was indicated.

The summary paper on IBRD/IDA stresses that the major portion of the World Bank Group's agricultural budget is to be spent

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on small farmers and "the lowest 40% of the population." The paper indicates that "the policies of the World Bank Group have been re-oriented towards reaching the poorest people in developing countries, the bulk of whom are concentrated in rural areas." It anticipates that African countries, whose populations are largely rural, will specially benefit from the worldwide commitment to rural development. It states also that the "poorest nations" will receive special attention as a result of changes in Bank Group policy, with Bank Group operations being focused on the "least developed" countries and special attention being paid to small holding agriculture, non-formal education, population planning and some aspects of rural health and sanitation. The Bank Group has committed support for projects in 31 African countries in the past three and one-half years ranging in national value from $1.3 million for the Gambia to $100.9 million for Kenya, $112 million for Ethiopia, $114.5 million for Zambia and $270.8 million for Nigeria. The Bank Group (1) is "fully prepared to finance agricultural research" and is a co-sponsor of the Consultative Group on Agricultural Research (CGIAR); (2) emphasizes agricultural extension and lending programs which support expansion of training facilities for extension agents; (3) supports rural infrastructure and rural works programs, (4) is increasingly emphasizing on-farm development so that irrigation benefits may reach small farms quickly and (5) is increasing assistance to governments concerned with reforming their agricultural financial structures and supporting institutions designed to bring credit to small farmers. Most Bank Group projects involve "package programs", e.g., in one Ethiopian project farmers receive a "minimum package" of fertilizers, improved seed, credit, extension services and essential roads. Development of rural industry has not figured significantly in Bank Group projects so far, but future lending will pay attention to development of labor-intensive industries in countries with growing unemployment. Future Bank Group assistance, the summary concluded, will emphasize an integrated approach to rural development.

Dr. Nekby focused his presentation on the major problems impeding African development. Taking the example of Tanzania, where the World Bank Group has recently completed an agricultural sector study, Dr. Nekby noted first that Tanzania's agricultural productivity, which had previously enjoyed an annual growth rate of 3.9 percent, rose by only 2.4 percent in the years from 1968 to 1973. Production opportunities include (1) expansion of the area under cultivation and (2) increased crop yields as a result of current research and local testing. But even if the area under cultivation expands at the same rate as the population grows and even if crop yields are doubled in 20 years, there would still be only a 6 percent annual growth in production. In other words, in

20 years, per capita agricultural income in Tanzania would go up only 400 shillings -- no more -- unless even more land is placed under cultivation, crop yields are more than doubled, etc.

Lack of resources is another major problem in African development. Past IBRD projects have cost about $1,000 per farmer reached, i.e., expenditures totaling $1 billion have attempted to reach one million farmers. (*) Resources are scarce and rural development programs can be very costly.

The World Bank Group will emphasize increasing small holder production in the years ahead. When resources increase, then other events can occur which will further development. In East Africa the sequence may initially involve measures to increase agricultural productivity (and fewer "comprehensive" programs), (**) emphasis on rain-fed agriculture and steps to reduce the cost of aid-per-farmer.

(*) In response to questions, Dr. Nekby indicated that the $1,000 figure represents a single farmer's share of total project costs; to arrive at this average, IBRD counted all agricultural development projects, including high-cost projects like irrigation projects, and estimated the total number of farmers served. Obviously, the average per farmer project costs vary from project to project and country to country. In Ethiopia, for example, World Bank projects utilized existing roads, with the result that per farmer project cost was only about $60.

(**) In response to a question from Mr. Gayoso, Dr. Nekby indicated that IBRD is now thinking in terms of sequential, rather than comprehensive projects, with initial emphasis on increasing agricultural productivity. The CADU project in Ethiopia was described by Mr. Gayoso as a "good comprehensive project" but he noted that it provides many services which cannot be duplicated and that it may not survive if and when the external management force is removed.

Another major question is how to reach the masses, e.g. Tanzania's population of 2.5 million farm families. In view of the prevailing poverty the adoption of fertilizers and other seasonal inputs require additional resources. In Ethiopia and Malawi credit is provided to some 75,000 and 25,000 farmers respectively, but the administrative cost and burden are enormous.

Perhaps there is need for heavily subsidized inputs -- even to the extent of 75 percent. The Tanzanian Cotton Authority gives subsidies of 45 percent and a maize program provides free fertilizer in some areas. If programs are to reach the masses, methods must be simplified.

As for reaching "the bottom 40 percent", many live in rural areas with very low potential for agricultural productivity. There are four possible solutions for such people: (1) resettlement in other areas; (2) modification of the resource base, e.g., by adding irrigation; (3) attempts to improve crop yields (while recognizing that improvements effected would be even greater in other, more productive areas); or (4) transfer of income. Solutions (2) and (3) especially will mean a slower rate of economic growth.

Dr. Nekby concurred with earlier speakers who had stressed the importance of incentives. The Ujamaa program has been successful in increasing citizen participation but has tended to discourage progressive farmers through its collective farming component. The government is reported to have reversed its policy and now favors individual plots arranged in a block pattern, presumably recognizing the threat to incentives and the lack of economies of scale in hand and ox cultivation.

Another factor affecting rural development is absorptive capacity. Funds may be available for projects but the lack of staff to carry out programs can impede development.

There are lots on unknowns, Dr. Nekby concluded. No one really knows what methods and policies under certain conditions are the most effective. Studies are needed, along with exchanges of information (such as this meeting) about donor agency and African government experiences. Dr. Nekby in this connection pointed to the African Development Study undertaken by the Bank.

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African-American Institute

AAI's programs in Africa for the four-year period 1972-1976 will total about $15.2 million, all of which relates to African development. Approximately $3.2 million, or 21 percent, of this relates to rural development or agricultural improvement. Very roughly speaking, 75 percent of AAI's expenditures in this area are aimed at effecting agricultural change and 25 percent at rural development. Approximately one-third of funds spent by AAI over the four-year period are being directed at "the bottom 40 percent" of the population.

AAI is committed to increasing its work in the field of rural development and it intends to give greater emphasis to the 16 African states which are among the world's "poorest".

In his presentation on AAI's program, Mr. Cotter observed that AAI is basically concerned with education in Africa. Its scholarship programs have included Africans concerned with agricultural development. AAI also supports Tutume Community College in Botswana. AAI's principal concern is how educational institutions in rural areas can help further rural development. Tutume Community College is a community resource offering agriculture extension services, a clinic, a library and training programs for people in the community. By adding small amounts of money to the sum invested initially for education, it may be possible to convert educational institutions into instruments for rural development.

In Mr. Cotter's view, it is a mistake to measure rural development exclusively in terms of increased agricultural income. Rural development really consists of expanded educational opportunities, health services, recreational facilities and other improvements in the quality of life which even increased personal income could not buy. Real rural change can come only from direct government investment in things people want and need, e.g., water supply. Increased agricultural productivity and rising farm income are not the only indices of rural development.

The Peace Corps

Written information on the Peace Corps' program in Africa was submitted prior to the meeting and the Peace Corps was represented at the meeting by Andrew J. Bell, Regional Director for Africa.

In the written response to AAI's questionnaire it was indicated that Peace Corps operations abroad have totaled $81 million in

FY 1973 and $77.2 in FY 1974; they are projected at $82.2 in FY 1975. Slightly less than one-third of the total Peace Corps budget has gone for work relating to African development: $23.4 million in FY 1973 and $22.3 million in FY 1974. (From FY 1973 to the present the Peace Corps has had operational programs in 27 African countries.) Of the total budgeted for African development in FY 1973, approximately $11 million, or 47 percent, was directly or indirectly related to rural development or agriculture. (This amount provided support for approximately 980 Volunteers in 26 countries.) In that same year, approximately 22 percent of the Africa budget ($5.2 million) went for projects directly related to agricultural change and an estimated 25 percent was spent for programs more generally related to rural development, including $3.5 million for 320 Volunteers in education, $1.6 million for 143 Volunteers in health, $46,842 for four Volunteers in handicrafts/cottage industries and $702,639 for 59 Volunteers in public works. Only a "very minimal" amount of the budgets for agricultural and rural change is targeted for "the bottom 40 percent", but the Peace Corps is currently operating in nine of the 16 least-developed nations of Africa. (It formerly also worked in Guinea, Somalia, Tanzania and Uganda -- also among Africa's "poorest" countries. It expects to mount a program in Rwanda, also among the "poorest" countries, during the year.)

Peace Corps emphases depend largely on host country development needs and priorities; it is therefore probable that a commitment "to increasing work in rural development will likely follow the trends set in individual country development plans for expansion in this area and the countries' need for technical assistance." At the moment (1) relatively few Volunteers are engaged in agricultural research; (2) agricultural extension, in the broad sense, continues to be the main emphasis in the Peace Corps' agricultural program in Africa; (3) there is little emphasis on support systems; and (4) a sizeable percentage of Volunteers also work in projects that may be considered capital formation efforts. Most Volunteers, the background summary noted, are placed in well integrated positions where they are contributing to a number of activities.

In his presentation, Mr. Bell affirmed that the Peace Corps remains a manpower agency -- "a body shop". As such, it depends on other organizations for capital or material in-puts. Second, the Peace Corps does not provide the same kinds of manpower supplied by some sophisticated agencies; Peace Corps Volunteers are "B.A. generalists", largely lacking in sophisticated skills. The Peace Corps is still committed to binationalism, i.e., meeting host country requirements; because it responds to requests, it cannot "hold out carrots", i.e., offer incentives for change. Another restraint relates to the real definition of the Peace Corps: two points in the Act establishing the Peace Corps deal with friendship and learning languages -- and make no reference to development. The Peace Corps has been a more effective

instrument for cross-cultural understanding than for development. (But a National Academy of Sciences study headed by Waldemar A. Nielsen, currently under way, may suggest new directions.)

Mr. Bell observed that the Peace Corps does not know how to achieve development among "the bottom 40 percent". But it is questioning the "trickle down theory". (The Office of Economic Opportunity adopted this approach in America, and it didn't work; millions of dollars of federal funds have been spent in Oakland, California but the poor people remain poor, schools are poor, housing is poor and living conditions generally have not improved among the poor.) Mr. Bell predicted that rural development in Africa will take a long time; in his view it is hard to say what a 6 percent growth rate (advocated by Bengt Nekby) would really mean for the poorest sector of the population.

Mr. Bell noted that since the Peace Corps relates to foreign ministries and systems, its role is affected by the absorbtive capacity of the host countries. But it is interested in agriculture as well as in both general and specialized education; it is trying to respond at varying levels of expertness. (It would also like to provide certain kinds of planners to help host governments relate effectively to the Peace Corps and, as a result, obtain more Peace Corps aid.)

Mr. Bell concluded that the "sequential approach" to rural development mentioned by Dr. Nekby sounds interesting -- but who knows what the proper sequence is? In Mr. Bell's view, the Peace Corps' greatest link to points stressed earlier in the meeting is its attempt to reach the masses -- to relate to Africans at low levels and not just the African elite. Joint planning with other agencies would be useful, Mr. Bell added in conclusion.

PROGRAMS OF DONOR AGENCIES NOT REPRESENTED AT THE MEETING

Two agencies which responded to AAI's questionnaire or provided other data on their programs for African rural development were not represented at the meeting. Written materials from these agencies are summarized below.

Food and Agriculture Organization (FAO)

A discussion paper on rural development in Africa, prepared by the FAO for a meeting of UNDP representatives in Addis Ababa in June and July, 1973 suggests guidelines for policy definition and actions by governments, UNDP and members of the UN system, and other technical and financial agencies to promote African rural development during the Second Development Decade.

Introduction

The FAO paper affirms:

> "While much progress has been made in African countries in the attainment of economic objectives, the achievement of social goals has in many instances fallen short of expectations. This is the case, for instance, with regard to wider accessibility to education, improved diets, and better health, housing and recreational activities. Lack of people's involvement in the planning processes and decision-making on matters of direct concern to the people themselves and maldistribution of incomes are further characteristic features. In fact, the social development gap between rural and urban areas has been widening at an increasing rate in virtually all countries in Africa."

Because of these limited results, the paper suggests, "it is increasingly recognized that rural development must be more clearly defined." As a comprehensive approach to development, it means "a series of integrated measures and coordinated action by both governments and non-government agencies, having as their purpose a rise in the standard of living and favorable changes in the way of life for rural people. The latter is expressed in terms of improved social, economic, cultural and political conditions. It means, in a sense, comprehensive development of rural people and not isolated sectorial programs."

Strategies for Rural Development

Although ideally all problems should be tackled and all objectives of rural development achieved simultaneously, constraints in most African countries prevent this approach. So a strategy and program of action are needed which, over time, will lead to achievement of integrated rural development and improved levels of living.

The long-term objective of rural development should be transformation of existing social and economic systems to enable transition from a subsistence economy to a fully monetized and commercialized economy; this objective will require a radical change in attitudes, basic changes in levels of decision-making and the development of leadership, especially at the local level. In this context, the concept of phasing becomes important, and objectives must be established for the short- and medium-term. A continuing immediate need is to increase agricultural production through improving crop yields and expanding areas utilized. (But this expansion must occur in ways which increase employment opportunities and improve income distribution.)

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Middle-term objectives must include greater emphasis on diversification of production; establishment of agro-industries; greater attention to policy measures for expanding employment and improving income distribution, resulting in higher average per capita income; and expanded investment in physical and social infrastructure leading to improved levels of living in rural areas. Economic incentives to increase production are essential. Social incentives are equally vital. (But the boundaries between short-, medium- and longer-term objectives are indistinct.)

The FAO paper suggests that the first strategic decision -- what primary goal to serve -- is "rarely a matter of choice" owing to the poverty of African states for which the "inescapable starting point is expanding the economic base." This means increasing agricultural production -- for either domestic, intra-African or overseas markets. A second strategic decision is whether to spread scarce governmental resources evenly on a nation-wide basis -- socially and politically desirable -- or concentrate on selected regions or areas, i.e., areas with high production potential -- which may be economically desirable. A third major strategic decision involves the extent of reliance on foreign technical and financial aid. A fourth strategic decision concerns the extent to which there should be a coordinated strategy in which rural and urban areas are perceived as inter-dependent. Finally, what may be "the most strategic decision of all" is the adoption of a government policy favoring rural development that will pervade all government actions.

Measures for Action

The FAO paper identifies four important areas "where great effort is needed" if rural change is to occur: (1) involvement of people, described as "fundamental to the whole concept of rural development"; (2) equipping rural people for increased productivity through research programs, education and training, extension services, and developing rural infrastructure and social services; (3) removing institutional and economic roadblocks by dealing with the agrarian structure and providing economic services and facilities; and (4) organizational measures, including arrangements at the local level and at the levels of provincial and national government. (Detailed proposals for actions in these four critically important areas are set forth in the FAO paper.)

UNDP/UN Policies and Priorities

The FAO paper briefly analyzes UN experience in African rural development to date and then proposes a set of UNDP/UN "family" policies to guide future assistance for African rural development:

(1) Recognize that only a program, as opposed to a project, approach will yield significant impact -- a recognition which may mean that "the development of the countryside and its villages as the key to the improved welfare of rural people should be the pervading consideration in all major policy decisions, plans and investment."

(2) Recognize that priority must be given in the years immediately ahead to programs which expand the economic base consistent with long-term objectives -- programs for increased production and productivity in agriculture, forestry, fishing and related industries with emphasis on providing maximum employment, improved income distribution and participation by rural people.

(3) Recognize that UNDP resources -- small in relation to rural development requirements -- should be used for innovative or pattern-setting projects.

The FAO paper observes that priority areas must be determined within each African country but suggests that there are some areas "of sufficient Africa-wide importance" to warrant special attention from the UNDP/UN family. These include (1) activities to create better understanding of, and support for, the concept of integrated rural development, (2) efforts to develop more non-formal (out-of-school) education and training programs, (3) cooperative research programs involving different countries with similar ecological conditions, (4) strengthened extension services to create better communication between governments and rural people, (5) study and action programs on "methodologies of participation", i.e., ways of reaching and involving rural people, (6) using food aid in rural public works programs which can help to create employment, (7) expanding production of food crops and animal and fish protein, (8) devising organizational, institutional, administrative and legal arrangements and need to achieve an integrated approach to rural development, and (9) examination of governmental structures and training programs for senior administrators to deal with rural development.

Rockefeller Brothers Fund (RBF)

Responding to AAI's questionnaire, the Rockefeller Brothers Fund indicated that its international operations are averaging $1.6 million per year. Of this, about $300,000 is spent on African development. Most of the amount expended in Africa furthers rural development if projects for rural land-use planning, water management, small business assistance and practical training for employment in rural areas are seen as benefiting rural development. Of RBF's rural development

activities, most are not focused directly on agriculture. But almost all are aimed at "the bottom 40 percent" of the population, the rural poor. RBF does not expect to increase its financial involvement but it will continue its support for African rural development. It also gives, and will continue to give, special emphasis to the "poorest" nations identified by the UNCTAD Conference.

In the past year, RBF has supported projects in Botswana ($65,000), Upper Volta ($37,500), Ghana ($20,000), Togo ($17,500) and Cameroon ($40,000). Other programs relating to Africa, either multi-country or U.S.-based, totaled $100,000. Programs funded by RBF are generally "package" programs supported jointly with other agencies.

The development of rural industry is a major thrust in RBF efforts. Future emphases favored by RBF include small business development; practical training; environment management, especially water management; and land-use planning of non-agricultural wildland lands, e.g., national parks, game serves and marginal lands.

II. PRESENTATIONS BY AFRICAN PARTICIPANTS REGARDING RURAL DEVELOPMENT PRIORITIES

Two distinguished Africans from different parts of the continent -- each widely experienced in economic development matters -- commented at length on African priorities and problems in rural development. The first speaker, H.E. Paul L. Bomani, Ambassador from the United Republic of Tanzania to the United States, has previously served his country as Minister for Commerce and Industries, Minister for Economic Affairs and Development Planning, Minister for Finance, and Minister for Agriculture and Cooperative Development; prior to Tanzanian independence, he was general manager of the Victoria Federation of Cooperative Unions, the largest marketing cooperative in Africa. The second speaker was Dr. Dupe Olatunbosun, Head of the Agricultural Development and Planning Division of the Nigerian Institute for Economic and Social Research at the University of Ibadan, Nigeria, currently serving as Visiting Professor at the University of Michigan. Dr. Olatunbosun, who received his Ph.D. in agricultural economics from Michigan State University, was part of a two-man team responsible for preparation of the "Plan for Agricultural Development in Nigeria: 1972-1985" and one of three consultants to the Nigerian Federal Ministry of Agriculture and Natural Resources who were commissioned in 1971 to prepare National and States Food Balance Sheets. He is a member of Nigeria's National Committee on Food Crops.

PRESENTATION BY AMBASSADOR BOMANI

Ambassador Bomani suggested that the problems of rural development are immense in Tanzania partly because of its colonial heritage. First, people who have been oppressed may lack confidence in their ability to resolve their problems. Second, Tanzania's succession of colonial masters -- Arabs, Germans and British -- did not really contribute to the nation's development. The Germans tried to develop some infrastructure but their British successors were little concerned with economic development, possibly because of feelings of impermanence. It was British policy to use surrounding cities "to serve the center -- Nairobi." On becoming independent Tanzania had to reexamine the past, review its economic infrastructure and institutions and see how it could become truly independent; the government had to determine how Tanzania could benefit from existing East African institutions and how these needed to be reformed.

Referring to allegations that Tanzania is opposed to external aid, Ambassador Bomani called participants' attention to a speech given in March at the New Zealand Institute of International

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Affairs by Tanzania's President Julius K. Nyerere. President Nyerere emphasized the need for transfers of technology to further development; but external aid, a key to progress, must be used properly. Some foreign assistance programs have benefited the donor state more than the recipient country. Transfers of this kind are not "aid". Foreign investment in industry or manufacturing which is protected by the host country (through tax holidays or accelerated depreciation) could benefit the host country. But if the host country grants benefits so that a foreign investor profits, the foreign investment cannot be considered "aid".

Some recipient countries have been accused of not using aid effectively, but international trade terms have always benefited the advanced nations. In the current world energy crisis, it is the developing countries which will suffer most. The developed countries will pay higher fuel costs and pass price rises on in the manufactured goods they sell to developing countries. As a result, tractors will be prohibitively expensive for the Tanzanian farmer. In contrast, the Tanzanian farmer cannot control the price he receives for coffee or tea exports -- prices dictated by the world market. A far-reaching result of the energy crisis is that the cost of capital goods will rise for the small farmer in Tanzania and higher costs will reduce his purchasing power. This trend -- higher prices for manufactured imports and lower prices for agricultural and commodity exports -- has adversely affected Tanzania for some years. A net result of these conditions has been lack of development progress. But "standing still" is not a "non-movement"; it is a movement backwards. Many poor countries are experiencing slow growth or becoming even poorer because they have not succeeded in finding solutions to world trade problems -- despite discussion and resolutions in UNCTAD.

Commenting on what he termed "vital questions" relating to development, Ambassador Bomani suggested that the first is whether to focus on rural development or industrial development. It may be true that GNP and the modern sector, especially the service sector, grow faster as a result of industrial development. But developing countries face a dilemma: they cannot jump from primary products to industrial products overnight; they lack the technology and capital needed to achieve this. It is logical for developing countries to improve the rural sector first. In Tanzania 95 percent of the populace is in the agricultural sector. The Tanzanian government could not see a way of moving to the modern sector -- of increasing the earning power of the Tanzanian people -- without first improving agricultural and rural life. The government therefore has emphasized rural development. Its programs focused initially on improving in-puts to farmers, including provision of technical information and extension services. But the government found

it could not reach all farmers through agricultural extension officers. (There were 60,000 farmers for each extension officer.) So it decided to try to bring farmers together -- in Ujamaa villages -- as a means of reaching them collectively. It found also that it could not reach farmers if the pattern of their lives was unchanged, so it is focusing now on planning the farmer's way of life. This process has helped the government to discover why earlier rural development efforts lacked impact. There is increased understanding of the problems involved in achieving rural change and present programs are focusing on helping farmers see the need for change. Farmers in the Ujamaa village programs participate in planning change.

No change is visible in only five years, the ambassador emphasized, especially since many services have not yet been brought to the farmers. But structures have been established and programs are beginning which will bring water supply and schools to rural areas. When 5,000 villages had been "identified", the government determined that there was need for 2,000 additional schools, water supplies and health services. It can now bring these needs to the attention of donor agencies. Three thousand teachers are required, the ambassador affirmed, for primary schools in the rural areas. The need for education has grown sharply as a result of people living together. The problem of bringing education to people in the Ujamaa villages is among the problems facing the Tanzanian government as a result of its new policies.

Various foreign countries are aiding Tanzania's rural development efforts, including for example, Australia and Sweden, which are helping to develop rural water supplies. The Tanzanian government can also now carry out adult education programs for farmers covering such topics as the need to use artificial fertilizers. Farmers better understand the importance of fertilizer. They are seeing marked differences in crop production on tobacco plantations where some plots have been fertilized and others not. As the use of fertilizer is increasingly understood, the demand for it is rising. Ambassador Bomani reiterated that, as Tanzania's farmers are becoming ready for change, there are many opportunities for Tanzania's well-wishers to provide the ingredients for change -- technology and capital. Alone, the government's programs will be insufficient to resolve all problems. In irrigation, for example, use of available water -- rivers and lakes -- has been minimal. Irrigation requires technology, hard work and discipline. Donor agencies will soon be flooded with requests from Tanzania for technology and capital needed to develop the use of its water resources.

Ambassador Bomani concluded by observing that the Tanzanian government is making major efforts to develop an inventory of

problems and to find solutions for these problems. The fact that Tanzania has not absorbed available capital to date should not be held against it. The situation is changing. When the villages are well organized, it will be possible to achieve substantial acreage and, with big acreage, to mechanize. Unlike Ethiopia, where there is a private land tenure system, Tanzania can create large farms which lend themselves to modern agricultural production methods. Land in Tanzania can be used fully -- if there is enough technology and capital.

PRESENTATION BY DR. OLATUNBOSUN

Dr. Olatunbosun warmly endorsed the points made by Ambassador Bomani, which, in his view, are also valid for West Africa. He had a few additional observations.

First, Dr. Olatunbosun observed, the concept of "the bottom 40 percent" has little validity for Africa since the rural population -- the poorest sector of the populace -- is closer to 80 percent. Using the term "40 percent" does not convey the actual magnitude of the problem.

Second, donor agencies should reconsider criteria for measuring successful rural development. GNP or per capita income measurements are not valid indices of progress at the local level in developing countries. Some countries have achieved tremendous growth in GNP or per capita income -- without any benefits to the rural sector. New methods are needed -- possibly including periodic examinations -- for assessing rural change.

"Rural development", Dr. Olatunbosun observed, really means "rural welfare." The term "development" does not necessarily take into account income distribution. There are great inequalities within such "developed" countries as the United States, Rhodesia and South Africa. In thinking about African rural development, we need to be concerned with a new moral order. The basic responsibility for rural development, Dr. Olatunbosun added, must lie with the governments of the developing countries, not with external donor agencies. Many governments have made policy decisions which adversely affect rural development in their countries. (Commenting on Dr. Nekby's observation that the per farmer cost of World Bank programs for rural development has been $1,000, Dr. Olatunbosun observed that this figure has little meaning for governmental programs; individual farmers do not need this much aid in order to register significant progress.)

Major emphasis should be given to credit programs for farmers, it was suggested. Credit institutions to date have generally failed to help the rural sector; farmers have found it difficult

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to borrow, even though they generally require only small loans. Donor agencies could provide major help by guarantying modest, low-cost loans to farmers.

As for transfers of technology, donors must be concerned that the technology is appropriate. Some external aid agencies have encouraged African governments to use inappropriate technology -- technology unsuited to situations of scarce capital and abundant labor. Simple tools, easy to manipulate, are needed.

Donor agencies have to date concentrated on the agricultural side of the rural sector, Dr. Olatunbosun noted. But it is poor policy to concentrate exclusively on agriculture. If food production expands, prices may go down -- and the industrial sector would benefit. Urban wages are much higher, and urban workers are usually organized. There are no trade unions in the rural sector, and their purchasing power has decreased. In Nigeria, for example, the income distribution situation has worsened. One possible remedy, Dr. Olatunbosun urged, is to concentrate on the non-agricultural sector in rural areas. This is the only way in which to increase the purchasing power of the rural sector. And unless purchasing power is increased, young people will continue to leave the countryside for urban areas. Efforts must be made not only to stimulate agricultural production -- especially the production of export crops -- but also to develop rural industry. Because of failures to develop the non-agricultural element of the rural sector, African balance-of-payment situations continue to worsen.

Despite general agreement that the governments of developing countries must invest in agricultural development, many governments prefer to siphon off resources from the rural areas in order to benefit the cities. Donor agencies could help in this respect by attaching conditions to their aid; they should insist that it be used to benefit the rural sector. Moreover, external assistance programs should not be continued indefinitely. African governments should be encouraged by donor agencies to become self-reliant.

Turning to the concept of integrated rural development, Dr. Olatunbosun noted that the CADU project in Ethiopia (which typifies this concept) has been criticized on the grounds of its high cost. In his view the concept of a "package" program is fully warranted. Focusing on credit programs only or extension services only is not an effective approach to rural development. (Extension staff are generally ill-equipped to deal with the range of problems affecting rural development, including health service needs and educational needs.) If targets are combined, more can be achieved and administrative costs can be reduced. An integrated approach must be tried in pilot projects, and results must be transferred among countries.

III. ISSUES IN RURAL DEVELOPMENT

On conclusion of the presentations by Ambassador Bomani and Dr. Olatunbosun, participants debated various issues relating to African rural development. Their views are summarized below.

Sequential Approach to Rural Development

Mr. Gayoso acknowledged that the idea of approaching rural development in stages is one possible perspective. But a decision must be made about where to start. It is not certain that focusing on the farmer necessarily precludes emphasis on rural industry -- the ILO has contributed to the development of industries in rural areas. But 90 percent of the people in some African countries are in the rural sector. (And in a country like Zaire, "the bottom 40 percent" is really "the bottom 90 percent.") These rural poor are virtually without education or skills needed to increase yields. Technology transfer will inevitably take a long time. (Even in the United States, where education is widespread, it took 15 years to adopt hybrid corn.) Since 10 percent of the population can never subsidize 90 percent, it is essential that donor agencies focus on increasing agricultural production among the small farm group we want to affect; they must find targets which will be responsive; they must start with "the critical minimum" identified by recipient governments. The sequential approach to rural development does not preclude "high pay-off projects", e.g., industrial plants in rural areas, but it says that these should come later. Second, Mr. Gayoso observed, donor agencies should not worry about the initial costs of programs if they are successful in motivating and stimulating the farmers that they reach as the current costs will decrease if replicability is possible. Third, he added, studies generally show that credit is a facilitating input. But whether credit should be part of a minimum "package" input depends on the national situation. It is possible that CADU, despite its cost, provided the minimum required to bring about rural change in Ethiopia.

Dr. Nekby suggested that the sequential approach to rural development really means (1) identifying an area in which to work and (2) identifying the minimum resources needed to "move" the area, i.e., to increase its productivity. Dr. Berry acknowledged that there is often a tendency to start with massive inputs in order to avoid failure. But it is difficult to know in advance what are the minimum resources needed to move the area. There should be a methodology for determining these essential components -- the minimal inputs needed to effect rural change.

Integrated Approach to Rural Development

Commenting on the CADU project, Dr. Nekby -- who formerly directed the CADU project -- noted that the Ethiopian government did not

become interested in peasant farming until 1967. When the CADU project was conceived, there was nothing but a traditional marketing system; there were no credit facilities; and only a rudimentary agricultural extension service. Study indicated that development would be possible only by adopting an integrated regional approach. CADU initially involved research, the provision of credit, road and water development, training and marketing. It has succeeded in the sense that it has reached a high percentage of the farm population -- an estimated 40 percent have adopted basic innovations developed by CADU. But (1) CADU has been expensive in terms of manpower and capital investments and (2) it could not possibly be replicated in order to reach all Ethiopian farmers in a reasonable period of time. Moreover, the resources invested in CADU helped only selected areas and, in so doing, widened the gap between them and other parts of Ethiopia. Despite these disadvantages, CADU allowed experimentation with different techniques and assessment of the values of different inputs. It showed that small holder productivity could be increased. After an initial period it was possible to consider what "bare essentials" might be distilled from CADU in order to help others. A "minimum package" program was developed which initially involves concentration on certain crops, certain extension help, certain kinds of inputs and credit. Responding to Dr. Berry's observation that there should be a method for determining what are the minimum resources needed to stimulate change, Dr. Nekby observed that CADU has had a built-in evaluation system. But, generally speaking, testing should go forward in different localities since the "minimum package" needed will vary from one place to another. Experimentation is needed with different innovations and programs (road construction, marketing, water supply, home economics, etc.) as the minimum package over time grows more comprehensive.

There are two possible reasons to choose the "package" approach, Dr. Berry suggested: (1) If no services are available at all in a particular area, it may be necessary to test a wide range in order to see what is essential. (2) Or it may be desirable to bring all services to a reasonable level, as was attempted in Colombia, in order to test the value of added inputs, e.g., credit.

Ambassador Bomani stressed the desirability of an integrated approach to rural development which involves both development activities, including social services, and efforts to increase agricultural production.

But a review of integrated projects involving several sectors shows that there have been more failures than successes among those attempted to date, Dr. Havord observed. It is important to take a look at the conditions which prevailed. Too often governments and the UNDP have chosen the wrong projects in the wrong places -- areas with virtually no productive capacity. Sometimes projects were chosen for political reasons. Sometimes there was no real government commitment to the project. In some instances costs were underestimated. Attempts have been made to field some very large programs, but after four or five years these were seen to have failed.

Commenting on the need to provide social services for rural areas, Dr. Nekby pointed out that the resettlement into Ujamaa villages has had certain disruptive effects on production, has necessitated improvements in social services and thus has tied up considerable financial and manpower (including administrative) resources -- allowing only limited attention to efforts to increase production.

Dr. Hoffman commented on this point that there are several possible approaches: (1) In Tanzania the whole purpose of government is to achieve integration in development through the district officer at the local level-- a grass roots approach. (2) In other countries such integration may be a goal of external donor agencies but not of government and thus difficult to achieve.

To understand Tanzania, Ambassador Bomani observed, it is necessary to understand its philosophy and policy. The Tanzanian people are farmers, and agriculture has highest priority. But the government is also committed to education in order to improve individuals. The government wants individuals to learn how to read and write. Later on, this can result in improved farming. The Tanzanian government recognized that its investments in social services would not be justified by economic priorities -- so it changed its priorities. In early development plans, community and agricultural development were emphasized. In the new development plan, social services are emphasized. The self-improvement of individuals is given higher priority than economic goals. This is not an accident but deliberate policy. TANU (*) has favored individual self-improvement -- the liberation of the poor through education -- as a national goal.

(*) Tanganyika African National Union, the government political party on the mainland of Tanzania.

Dr. Nekby suggested that social targets are well defined and popular while the principles of agricultural development are less well understood. The resulting emphasis on social services has meant slow economic growth and failure to achieve economic goals. No one can say with certainty that this is "wrong". There are no "rights" and "wrongs" in rural development -- only viewpoints. But Dr. Nekby questioned whether the Tanzanian government can afford to provide the services people want.

Ambassador Bomani acknowledged that agricultural production in Tanzania has slowed down but attributed this to a variety of reasons, including some natural causes. It may be some years before the government can tell whether the emphasis on education and other social services benefits national development. In the ambassador's view, government plans for increasing agricultural productivity are better than they were before as a result of the Ujamaa policy and the new insights gained from the Ujamaa village program. Current emphases on the importance of income distribution may come as a shock to some African governments and donor agencies, but the Tanzanian government has already considered and resolved this issue. Hopefully some day agricultural production will increase and the government will be able to demonstrate that its new policies have been correct.

No one really knows, Mr. Cotter observed, whether the emphasis on providing social services will result in agricultural growth. But literacy programs may lead to increased use of fertilizer and greater receptivity to change. Farmers' identification with government policy may also be an essential precursor to change.

Different countries have different time frames, Dr. Kiene observed. In the Sahel, people cannot afford to wait for change; they must survive tomorrow. Some countries cannot afford to focus on both agriculture and social services.

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Strong support for Tanzania's policy was forthcoming from Dr. Olatunbosun who observed that in Nigeria lack of basic social amenities is the principal reason for the exodus of people from rural areas to the cities. There are employment opportunities in the rural areas but people are unwilling to live without education, health services, electricity or adequate water supplies. Conditions must be improved if farm families are to remain in rural areas. On this point, Dr. Nekby again reiterated that African governments may not have sufficient resources to provide needed social services in rural areas. A hopeful approach, in his view, is the use of educational institutions like Tutume Community College in Botswana as a center for services to the surrounding community. Dr. Nekby added that in his home country, Sweden, emphasis had been placed first on productivity; emphasis on social services -- "the welfare state" -- came later when resources were developed to provide the needed services. When Dr. Olatunbosun commented that the rural areas of Nigeria are very different from rural Sweden, Dr. Nekby observed that Nigerian rural areas are also very different, in that they are far more advanced, from the rural areas of Ethiopia.

In a final comment on this point, Mr. Muhtesip indicated that there is a good bit of community development (animation rurale) occuring throughout Africa on a self-help basis; there are many signs of self-generating community development efforts, e.g., well-building activities, which have not resulted from, and are not dependent on, social services provided by the national government.

Role of African Governments in Effecting Rural Change

In his opening comments Mr. Gayoso suggested that a principal weakness of the CADU project in Ethiopia has been its reliance on foreign technology and inputs. (Hopefully the ADA rural development project in Debre Zeit, Ethiopia -- supported by AID -- will survive after expatriate personnel have completed their assignments.) Mr. Gayoso stressed that development ultimately depends on national spirit and national decisions. External aid agencies have failed in attempts to impose solutions. Donor agencies do not really know what will bring about rural change; they have often provided inappropriate technology or mis-trained Africans. The era of paternalism is over. African governments must identify their own problems, reach their own conclusions and develop their own solutions.

Responding to a question from Dr. Kiene about ways in which donor agencies may reach Africans at the local level, Dr. Olatunbosun emphasized that donor agencies must avoid investments in situations where failure is certain. In his view major responsibility lies with national governments.

National governments must be committed to helping people in the rural areas. But external aid agencies can be useful by insisting that their aid be used to benefit the rural sector. Of all aid to Africa to date, less than 10 percent has benefited the rural sector. (But emphasis on the rural sector is relatively new, Mr. Gayoso observed.)

Utilizing Existing Institutions

The Tanzanian government is providing some extension services, some marketing help and some credit, Dr. Nekby noted. Because of the high ratio of government workers to farm families, it is essential to use existing institutions and try to make them function better, Dr. Nekby observed. Regarding credit, it might be preferable for the government to subsidize crop production and recover subsidies from crop sales rather than support the higher administrative costs of a credit program.

In eastern Zaire, where no institutions or organizations exist, an AID-supported program utilizes village chiefs to distribute credit and technology. Farmers trust their chief, accept technology from him and are obliged to repay funds they orrow from him owing to sicial pressures. In some areas of Africa conditions exist which make possible the use of village structures to transmit technology and credit to the farmer.

An Agricultural Development ouncil project in the Philippines might be a possible model for African efforts to marshall local resources in tandem with resources provided by the national government and external aid agencies, Mr. Stevenson observed. This project, in which locals developed an integrated approach to rural development, was successful initially but failed after four or five years owing to problems in managerial and personal relationships and conflicts in viewpoint between locals and national government representatives. It would be important to know whether locals in Africa are p epared to work with federal agencies. Dr. Olatunbosun responded that outsiders cannot impose solutions on locals. National agencies must make maximum use of locals, give them a sense of participation and stimulate them to use their energies and resources for development. Reliance on locals can be beneficial. In Nigeria, for example, national credit agencies experience failures to repay loans, but local lenders enjoy a higher rate of repayment since debtors fear social ostracism. Dr. Olatunbosun reiterated the need to harness resources within the rural sector. Later in the discussion he pointed out to Dr. Havord that a major program in western Nigeria, organized in the 60's by the FAO and ILO with UNDP funds, failed because it had been set up without consulting or involving local people.

Special Problems of African Pasturelands

There is a "no man's land" in Africa between the rural areas and the cities, Mr. Muhtesip observed -- the pastureland, inhabited by nomads. In some countries, e.g., Somalia, the nomadic population is 70 percent of total population. These people, who have inhabited the pasturelands for centuries, cannot farm. Of all Africans, they are the "forgotten people" in terms of social deprivation, lacking education, health services or other aid. There are millions of such people in the Sahel, Ethiopia, Somalia and other countries. Although it is very difficult to reach them, efforts should be made since they need development even more than others.

Commenting on this point, Mr. Gayoso observed that 60 percent of the assistance programs for the Sahel focus on nomadic people. But very little is known about these people. Conceivably the present drought will bring about changes in their life-style and, possibly, new solutions. Solutions suggested so far have a multi-national component, i.e., it has been suggested that nomadic people be encouraged to develop their livestock and sell these animals, while young, to nations south of the Sahel. A livestock program in Mali is designed to relate livestock production to potential markets.

A similar assistance project has been mounted in East Africa, Ambassador Bomani noted; the Masai have been given water supplies so that they can develop and sell their livestock. Portable schools have also been developed to serve the Masai.

Dr. Kiene added that given today's political realities, Mali will find it difficult to obtain continuing external emergency assistance on a large scale. Efforts must be made to help Mali become self-sufficient. If external donors contribute a health clinic to Mali, they risk having to sustain it owing to lack of government resources. In Dr. Kiene's view, donors, in addition to emergency assistance efforts, need to help Mali to develop its productive capacity so that it can earn the resources it needs to maintain clinics and other types of social welfare programs.

Dr. Olatunbosun concurred that the Sahel presents very serious development problems. Occupations are highly specialized owing to the terrain. Possible solutions include developing national and international links in the form of roads. (Drought relief agencies have found it impossible to take food and medicines into some areas owing to the absence of roads.) Another solution may lie in developing international (inter-African) trade. If markets are expanded, exports of livestock could benefit the Sahel. A missing element has been feeder roads reaching rural people.

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Transfers of Successful Technology

At several points in the meeting, Mr. Cotter asked how feasible it is to "transfer" the successful aspects of a good rural development project to other areas. Observing that CADU has been a successful program -- at least in terms of the people reached -- Mr. Cotter asked whether its high cost and heavy foreign in-puts would preclude its being reproduced elsewhere. A major question for donor agencies is whether successful undertakings spread. It is important to see whether any of the demonstration projects mounted to date have been self-sustaining and/or reproducible.

Dr. Olatunbosun noted that the Comilla project (Comilla Academy of Rural Development in Comilla Province, Bangladesh) was a successful program. But others have failed. In attempting to assess the reasons for failure it is necessary to look first at the concepts which underlay the project -- how it was formed and operated. Some programs have failed owing to poor implementation, but others have failed because of pre-existing conditions. In attempting to duplicate a project it is necessary to see where it succeeded or failed and which particular aspects should be adopted. Economic considerations are very important, in Dr. Olatunbosun's view. Programs cannot be sustained by external aid. They must have within them the possibility of becoming self-sustaining.

Dr. Havord concurred that governments and donor agencies must analyze their experiences. Where programs have failed, preconditions must be studied carefully to see whether these contributed to failure. Analyses of this kind are needed so that the chances of future success may be predicted. Careful study of past experiences is needed before new programs are launched.

Dr. Nekby asked what the phrase "becoming self-sufficient" means. In the case of CADU, it means getting rid of expatriate personnel and developing local supportive resources. (But Ethiopia has not established a tax system which effectively taps local resources.) Dr. Nekby agreed that it is important to determine exactly why some projects fail. Careful planning is desirable, but four years of planning is a ridiculously long period. It may be better to plunge in, and have the capacity to analyze and resolve crises as they occur.

It is true, Dr. Berry acknowledged, that some programs have failed -- often for identifiable reasons. Hopefully these factors can be eliminated when attempting to build on past experience. But sometimes it is difficult to see what the key

elements were in successful projects. Dr. Berry wondered whether there are enough data to permit generalizations about why success has occurred. He also wondered what is known about the techniques or processes of transferring success and whether successful transfers of experience depend on individuals or processes.

Dr. Nekby affirmed that successful transfers have occurred but suggested that many more exchanges of experience among African countries are needed. Dr. Kiene noted that there have been some successful rural development programs in Latin America and some attempts to transfer these, now under study. Mr. Muhtesip reported that Kenya established six Special Rural Development Areas and is now trying to transplant ideas from these areas to other sectors.

The Western Nigerian project referred to above by Dr. Olatunbosun, which was a failure initially owing to excessive centralization, became more successful after reorganization and is now being copied in the midwestern and eastern regions of Nigeria. Mr. Carrington observed that animation rurale succeeded in Senegal and that it has been copied through the use of local resources. (Senegalese women participants in the animation feminine program are now contributing to drought-relief efforts, Mr. Muhtesip added.) Various rural development projects in Ethiopia and Malawi are now being managed locally and the experience being applied in efforts in other parts of the country, as was the case with Ujamaa and regionalization. In Tanzania the government has often not approached rural development on an experimental or evolutionary basis; it has decided on solutions and applied these nationwide.

Responding to Mr. Cotter's inference from these remarks that at least some rural development projects have succeeded and are being copied flexibly, Messrs. Havord and Nekby affirmed that there has been some progress, things are beginning to happen, and improvement seems possible.

Appendix 1

Donor Agencies Meeting on Rural Development in Africa

April 3, 1974

PARTICIPANTS

Andrew BELL
Regional Director for Africa
United States Peace Corps

Dr. Albert BERRY
AAI Program Adviser in Rural Development;
Associate Professor of Economics
University of Western Ontario

H.E. Paul L. BOMANI
Ambassador from the United Republic of Tanzania to the United States

Walter C. CARRINGTON
Executive Vice President
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William R. COTTER
President
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Antonio GAYOSO
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Bureau for Africa
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Dr. Gordon HAVORD
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United Nations Development Programme (UNDP)

Dr. Donald B. HOFFMAN, Jr.
Vice President (International Programs)
The Edna McConnell Clark Foundation

Dr. Arthur N. HOLCOMBE
Programme Analysis Officer
Regional Bureau for Africa
United Nations Development Programme (UNDP)

Mrs. Jane W. JACQZ
Corporate Secretary
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Dr. Werner KIENE
Assistant Program Officer in Agriculture
The Ford Foundation

Dr. Garvey LAURENT
Liaison Officer with the United Nations
Food and Agriculture Organization (FAO)

Iskender MUHTESIP
Program Officer, Africa Section
United Nations Children's Fund (UNICEF)

Dr. Bengt NEKBY
Agricultural Economist (with special responsibilities for East Africa)
International Bank for Reconstruction and Development (IBRD)

Robert F. O'BRIEN
Executive Director
Private Agencies Collaborating Together (PACT)

Dr. Dupe OLATUNBOSUN
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Nigerian Institute for Social and Economic Research (NISER)
University of Ibadan, Nigeria

Russell STEVENSON
Administrative Officer
Agricultural Development Council

Miss Cynthia WISE
Program Officer
African-American Institute (AAI)

Appendix 2

Donor Agencies Meeting on Rural Development in Africa

April 3, 1974

QUESTIONNAIRE CIRCULATED TO DONOR AGENCIES BY AAI

We would appreciate the following information on your organization's activities. In some cases, individual questions will not be relevant, and we ask your indulgence for this; it seemed desirable to have as comparable an information base as possible across agencies.

1. What is the total budget for your operations abroad--last two years plus a rough projection of the next two years?;

2. How much of that total budget goes for work related to African development?;

3. Of the amount for African development, how much is directly or indirectly concerned with rural development or agricultural improvement?;

4. What share of the budget goes, respectively, to projects directly related to agricultural change, and those more generally related to rural development (like communications, education, public health, etc.)?;

5. Within the budgets for agricultural and rural change in Africa, how much is specifically targeted toward the bottom 40 percent of the population? How much is targeted toward marginal farmers in general?;

6. Does your agency have a specific commitment to increasing its work in the field of rural development in Africa?;

7. Do you or do you intend to give special emphasis to the poorest nations identified by the UNCTAD Conference?;

8. In what African countries do you now have operational projects and what has been the approximate total value of your input in each country over the past three years?;

9. What is your relative emphasis (within your African agricultural activities) on encouragement of (or direct participation in):

   a. agricultural research
   b. agricultural extension
   c. support systems (input marketing, communications, etc.)
   d. capital formation - irrigation works, roads, etc.
   e. agricultural credit

10. To what extent do the programs in which you participate involve "package programs" i.e. various of the needs of the farmer provided jointly? Which components are usually provided together?;

11. Does the development of rural industry enter significally into your activities or plans?;

12. In a short paragraph, please describe the kinds of programs you plan to emphasize in the future to deal with the problem of rural development in Africa.

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Donor Agencies Meeting on Rural Development in Africa

April 3, 1974

1973 BUDGETS OF DONOR AGENCIES (Figures in thousands of dollars)

	Total Abroad	Africa	Rural Africa	Agricultural Change	Bottom 40%	Major Emphases
AAI	3,525	3,525	700*	200*	250*	Agricultural research (45%) Agricultural extension (50%)
FAO	(part of UNDP)					
Ford Foundation	77,000	10,300	3,100*	3,400	n.a.	Agricultural research (80%)
IBRD (& IDA)	3,408,000	518,500++	172,400+++	n.a.	172,000++ (most of)	Research, extension, support systems and capital formation all receive substantial emphasis
McConnell-Clark	570	125	125	125	125	Agricultural extension
PACT	200	33	33 (most of)		25*	Various
Peace Corps	81,000	23,421	11,008	5,153		Education, health, public works
Rockefeller Brothers Fund	1,600	300	300+ (most of)			Non-agricultural development projects
UNDP	382,000	115,000	60,000	35,000*	substantial share	Research and extension
UNICEF	92,000	10,000	Perhaps 80% of program contributes to development of rural areas		n.a.	Health

* Approximate.
\+ Mostly for non-agricultural development activities.
++ East and West Africa only.
+++ Excludes education and health.

55000

$1.00

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The African-American Institute is the major private U.S. organization working to further African development and inform Americans about Africa. Other AAI publications relating to African rural development include *Non-Formal Education in African Development* by James R. Sheffield and Victor P. Diejomaoh ($1.75) and *Road to the Village: Case Studies in African Community Development*, James R. Sheffield, Research Director ($1.50). Copies may be obtained by writing AAI.

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